

PUBLIC DISCLOSURE

DECEMBER 27, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

ROCKLAND TRUST COMPANY

CERT # 09712

288 UNION STREET

ROCKLAND, MA 02370

**Division of Banks
1000 Washington Street
Boston, MA 02118**

**Federal Deposit Insurance Corporation
350 Fifth Avenue, Suite 1200
New York, NY 10118**

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks or the Federal Deposit Insurance Corporation concerning the safety and soundness of this financial institution.</p>

TABLE OF CONTENTS

I.	General Information	1
II.	Institution Rating	
	A. Overall Rating	1
	B. Performance Test Ratings Table	1
	C. Summary of Major Factors Supporting Rating	2
III.	Institution	
	A. Description of Institution	3
	B. Description of Assessment Area	4
	C. Scope of Examination.....	8
	D. Conclusions with Respect to Performance Tests.....	9
	1. Lending Test	9
	2. Investment Test	18
	3. Service Test.....	23
IV.	Metropolitan Areas	
	A. Barnstable-Yarmouth MSA	
	1. Description of Institution's Operations.....	30
	2. Conclusions with Respect to Performance Tests.....	30
	B. Providence-New Bedford-Fall River, RI MA MSA	
	1. Description of Institution's Operations.....	32
	2. Conclusions with Respect to Performance Tests.....	32
	C. Combined Boston MSA	
	1. Description of Institution's Operations.....	34
	2. Conclusions with Respect to Performance Tests.....	34
	D. Worcester MSA	
	1. Description of Institution's Operations.....	36
	2. Conclusions with Respect to Performance Tests.....	36
V.	Appendices	
	A. Fair Lending (Division of Banks).....	38
	B. Loss of Affordable Housing (Division of Banks).....	40
	C. General Definitions	41
	D. Investment Definitions	44
	E. Standard Public Evaluation Language	46

GENERAL INFORMATION

The Community Reinvestment Act (“CRA”) requires the Massachusetts Division of Banks (“Division”) and the Federal Deposit Insurance Corporation (“FDIC”) to use their authority when examining financial institutions subject to their supervision, to assess the institution's record of meeting its needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agencies must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **Rockland Trust Company (or the “Bank”)**, prepared by the Division and FDIC, the institution's supervisory agencies as of December 27, 2010. The Division and the FDIC evaluate the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00 and Part 345 of the FDIC’s Rules and Regulations, respectively.

INSTITUTION’S CRA RATING: This institution is rated “Outstanding.”

An institution in this group has an excellent record of helping to meet the credit needs of its assessment area, including low- and moderate-income neighborhoods, in a manner consistent with its resources and capabilities. The following table indicates the performance level of the Bank with respect to the Lending, Investment, and Service Tests.

LENDING, INVESTMENT, AND SERVICE TEST TABLE

PERFORMANCE TESTS Rockland Trust Company			
Performance Levels	Lending Test*	Investment Test	Service Test
Outstanding		X	X
High Satisfactory	X		
Satisfactory**			
Needs to Improve			
Substantial Non-Compliance			

*Note: The Lending Test is weighed more heavily than the Service and Investment Tests when arriving at an overall rating.

**Note: FDIC rules and regulations stipulate use of a high satisfactory and low satisfactory rating for the three tests. For purposes of this jointly issued public evaluation, the term “satisfactory” will be used in lieu of the “low satisfactory” rating for the lending, investment, and service test ratings.

LENDING TEST

The Lending Test is rated “High Satisfactory” based on the following:

Lending levels reflect a good responsiveness to the assessment area’s credit needs. A substantial majority of the home mortgage and small business loans were originated within the assessment area. The geographic distribution of loans reflects good penetration throughout the assessment area. The distribution of borrowers reflects, given the product lines by the institution, excellent penetration among retail customers of different income levels and business customers of different size. Rockland Trust Company is a leader among banks of its asset size for making community development loans in the assessment area. In addition, the Bank uses innovative and flexible-lending practices in order to serve the assessment area’s credit needs.

INVESTMENT TEST

The Investment Test is rated “Outstanding” based on the following:

Equity Investments – The level of qualified community development investments and the degree of innovativeness and complexity of those investments are excellent considering the size and financial condition of the Bank.

Donations – The Bank demonstrated a commitment to the community by providing an adequate level of qualified donations to community organizations. Overall, total qualified CRA donations were \$480,522 or 24.4 percent of total contributions of \$1,969,696.

SERVICE TEST

The Service Test is rated “Outstanding” based on the following:

Retail Banking Services – A review of the Bank’s retail and community development services revealed that Rockland Trust Company is doing a good job of meeting the service needs of its assessment area. Retail banking services are readily accessible to all portions of the assessment area, including low- and moderate-income areas and to individuals of different income levels and businesses of different sizes. Branch hours are convenient and comparable to other institutions and bank services are more than sufficient to meet the needs of the assessment area.

Community Development Services – Rockland Trust Company’s community development services are considered excellent. In addition, the Bank sponsors several educational seminars and programs which promote affordable housing, provide community services targeted to low- and moderate-income individuals, and promote economic development in their assessment areas.

PERFORMANCE CONTEXT

Description of Institution

The Bank is a state-chartered, investor-owned commercial bank headquartered in Rockland, Massachusetts. Originally founded as a commercial bank to provide financial services primarily to the area's business customers, the Bank has evolved into a full-service financial institution and its major business lines now include commercial lending, retail banking, and investment management. The Bank is a subsidiary of Independent Bank Corporation, a one-bank holding company organized in 1985. The Bank has four subsidiaries. One is for real estate holdings, one is for securities holdings, and two are community development companies in which the Bank has invested to offer community development loans and grants in low-income areas.

As of the previous evaluation date of October 1, 2007, the Bank had assets of \$2.7 billion. Since that time, the Bank acquired the following two institutions:

- 1) Slade's Ferry Trust Company, Somerset, Massachusetts: Acquired on March 1, 2008. The institution's total assets equaled \$603 million as of December 31, 2007. At the most recent CRA evaluation, dated July 18, 2005, the institution was rated an overall "Satisfactory" by the FDIC.
- 2) Benjamin Franklin Bank, Franklin, Massachusetts: Acquired on May 9, 2009. The institution's total assets equaled \$998 million as of March 31, 2009. At the most recent CRA evaluation, dated April 7, 2008, and conducted jointly by the Division and the FDIC, the institution was rated "High Satisfactory" by the Division and "Satisfactory" by the FDIC.

As a result of these acquisitions, the Bank's assets have increased significantly. As of the current evaluation date, Rockland Trust Company has assets of \$4.7 billion, representing a 77.4 percent increase since the previous CRA evaluation.

The Bank offers deposit, loan, and investment services through a network of 68 full-service and 2 limited-service branches, 7 remote automated teller machines (ATMs), 9 commercial lending centers, 4 residential lending centers, and 4 investment management offices located throughout eastern Massachusetts.

The Bank's loan-to-deposit ("LTD") ratio was 94.4 percent as of September 30, 2010, based on total loans of \$3.4 billion and deposits of \$3.6 billion. The LTD ratio, averaged over the last 12 quarters to reflect anomalies in lending patterns since the previous FDIC CRA evaluation, was 98.5 percent. Not reflected in the LTD ratio is the significant volume of loans sold in the secondary market. For the years 2008, 2009, and year-to-date ("YTD") 2010, the Bank originated and sold 7,308 residential and small business loans totaling over \$1.2 billion. Selling loans in the secondary market allows the Bank to originate a larger volume of loans than it would otherwise be able to originate while better managing its interest rate risk.

Table 1 depicts the composition of the institution's loan portfolio as of September 30, 2010.

Table 1 Loan Distribution as of September 30, 2010		
Loan Type	Dollar Amount \$('000s)	Percent of Total Loans (%)
Construction and Land Development	205,598	6.0
Farmland	877	0.0
1-4 Family Residential	1,174,565	34.2
Multi-Family (5 or more) Residential	222,004	6.5
Commercial	1,256,642	36.7
Total Real Estate Loans	2,859,686	83.4
Commercial and Industrial	492,752	14.4
Consumer	75,874	2.2
Other Loans	672	0.0
Total Loans	3,428,984	100.0

Source: September 30, 2010 Report of Condition and Income

As shown in Table 1, the greatest share of the loan portfolio is secured by commercial real estate at 36.7 percent. Residential real estate loans, which include 1-4 family first and second mortgages and equity lines of credit, compose the second largest share of the portfolio at 34.2 percent. Commercial and industrial loans represent the next largest share at 14.4 percent, followed by multi-family loans at 6.5 percent.

The FDIC last evaluated the Bank's CRA performance on October 1, 2007 and assigned a rating of "Outstanding." The Division last evaluated the Bank's CRA performance on August 25, 2003, and assigned a rating of "Outstanding."

There are no apparent financial or legal impediments that would limit the Bank's ability to help meet the credit needs of its assessment area. Based on the Bank's asset size, its product offerings, and branch network, its ability to meet the community's credit needs is strong.

Description of Assessment Area

The Community Reinvestment Act requires financial institutions to define an assessment area or areas within which its CRA performance will be evaluated. The Bank has defined its assessment area to include 105 cities and towns encompassing much of southeastern Massachusetts, including most of Cape Cod. The assessment area has been expanded since the previous CRA evaluation, which was due in large part to the acquisition of Slade's Ferry Trust Company and Benjamin Franklin Bank.

Listed below are the communities that compose the Bank's assessment area grouped by the Metropolitan District (MD) or Metropolitan Statistical Area (MSA) and county in which they are located:

- **Barnstable MSA: Barnstable County, MA** – Barnstable, Bourne, Brewster, Chatham, Dennis, Eastham, Falmouth, Harwich, Mashpee, Orleans, Sandwich, and Yarmouth.

- **Boston-Cambridge-Quincy MSA, Includes two MDs – the Boston-Quincy MD and the Cambridge-Newton-Framingham MD:** ***Norfolk County, MA*** – Avon, Bellingham, Braintree, Brookline, Canton, Cohasset, Dedham, Dover, Foxborough, Holbrook, Medfield, Medway, Millis, Milton, Needham, Norfolk, Norwood, Plainville, Quincy, Randolph, Sharon, Stoughton, Walpole, Wellesley, Westwood, Weymouth, and Wrentham; ***Plymouth County, MA*** – Abington, Bridgewater, Brockton, Carver, Duxbury, East Bridgewater, Halifax, Hanover, Hanson, Hingham, Hull, Kingston, Lakeville, Marion, Marshfield, Mattapoisett, Middleborough, Norwell, Pembroke, Plymouth, Plympton, Rochester, Rockland, Scituate, Wareham, West Bridgewater, and Whitman; ***Suffolk County, MA*** – Allston/Brighton District of Boston; and ***Middlesex County, MA*** – Belmont, Cambridge, Holliston, Hopkinton, Lexington, Lincoln, Natick, Newton, Sherborn, Waltham, Watertown, and Weston. Many of these municipalities have been added to the assessment area since the previous CRA evaluation.
- **Providence-New Bedford-Fall River, RI-MA MSA:** ***Bristol County, MA*** – Acushnet, Attleborough, Berkley, Dartmouth, Dighton, Easton, Fairhaven, Fall River, Freetown, Mansfield, New Bedford, North Attleborough, Norton, Raynham, Rehoboth, Seekonk, Somerset, Swansea, Taunton, and Westport. Many of these municipalities have been added to the assessment area since the previous CRA evaluation.
- **Worcester MSA:** ***Worcester County, MA*** – Blackstone, Hopedale, Mendon, Milford, and Upton. All of these municipalities have been added to the assessment area since the previous CRA evaluation.

The assessment area is very diverse and includes a mix of urban, suburban, and rural areas. Consequently, there is a wide range of credit needs within the area, including consumer, residential, and commercial loans. The greater Boston area is home to numerous colleges and universities, health care facilities, financial services companies, and bio-tech companies. Top employers include Massachusetts General Hospital, Harvard University, and Stop & Shop Supermarkets.

Refer to Table 2 for pertinent demographic information concerning the assessment area.

Table 2 Demographic Information					
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #
Geographies (Census Tracts)	495	4.2	16.2	46.7	32.9
Population by Geography	2,406,577	2.3	13.7	47.8	36.2
Owner-Occupied Housing by Geography	610,094	0.7	7.8	50.7	40.8
Business by Geography	217,179	3.4	10.8	47.8	40.0
Family Distribution by Income Level	611,739	17.2	16.5	22.1	44.2
Distribution of Low- and Moderate-Income Families throughout AA Geographies	205,856	4.4	21.5	51.5	22.6
Households Below Poverty Level		8.1%	Median Housing Value Unemployment Rate		\$229,217 *8.1%
Families Below Poverty Level		4.9%			

Source: 2000 US Census data; * October 2010 Bureau of Labor Statistics.

There are 21 low-income and 80 moderate-income census tracts within the assessment area. The majority of these tracts are located in the Providence-New Bedford-Fall River, RI-MA MSA and the Boston-Cambridge-Quincy MSA portions of the assessment area.

Recent housing sales price data was obtained from The Warren Group. The data show that every county containing municipalities in the Bank's assessment area experienced a significant decrease in the median sales price of single family homes from 2007 to 2008. For each county, the decrease on a percentage basis was the largest on record since 1987. This information reflects that property values declined during the evaluation period, which in turn diminished the ability of homeowners to refinance their mortgages and borrow against their home equity, and limited lending opportunities for home mortgage lenders. In addition, housing permit data show declines of at least 36 percent from 2007 to 2008 in every MSA of which a portion is within the assessment area. This indicates that new construction and home improvements have slowed substantially, which also limits the opportunities for home mortgage lenders.

As a result of the overall downturn in the economy in 2008, unemployment rates within the assessment area experienced sharp increases during the evaluation period. The unemployment rate for Massachusetts as a whole was 5.3 percent in 2008, but climbed to 8.2 percent in 2009 and 8.5 percent in 2010. The unemployment rates in all metropolitan areas within the assessment area followed similar trends, but the annual unemployment rates in the Boston-Cambridge-Quincy MSA were lower than the statewide figures. The annual unemployment rates in the Providence-New Bedford-Fall River MSA were higher than the statewide figures, reaching a high of 11.7 percent for 2010.

Community Contacts

As part of the evaluation process, third parties active in community affairs are contacted to assist in assessing the general banking needs of the community. The information obtained helps to determine whether local financial institutions are responsive to the credit and service needs of the communities, and what further opportunities, if any, are available. For the purposes of this evaluation, two community contacts were conducted with organizations within the Bank's assessment area. The first contact was an organization that works to promote economic development and the second was an organization that helps advocate for affordable housing and advises homeowners on foreclosure prevention. The first contact stated that they were excited to see many new entrepreneurs entering the market, but expressed concern that the businesses were not sufficiently diverse, thereby forcing more competition. Because of this, promoting greater business diversity would be beneficial to the region. The second contact was pleased with local banks offering first time homebuyer seminars and educational workshops. The second contact also stated that local communities hard hit by foreclosures were in need of foreclosure prevention seminars and loan modification programs. Overall, both contacts were pleased with the responsiveness of the local banks to the area's credit needs.

Based on the area's demographics and the insights gained through discussions with management and the community contacts, the assessment area has no one primary credit need. The area's residents need a variety of retail loan products to meet personal needs and an array of home financing programs for the purchase, construction, improvement, and refinance of residences. The area's business base also requires various commercial credit options to meet a wide variety of financing purposes.

SCOPE OF THE EXAMINATION

The Federal Financial Institutions Examination Council (FFIEC) Interagency Large Institution CRA Examination Procedures were used to evaluate the Bank's CRA performance. These examination procedures evaluate the Bank's CRA performance pursuant to three tests: Lending, Investment, and Service. The CRA evaluation considered activity from October 2, 2007 through December 27, 2010. The applicable timeframes for the loan product line reviews are described in the paragraphs that follow.

As reflected in Table 1, the September 30, 2010 Report of Condition and Income ("Call Report") data show that the Bank is primarily a commercial lender, with 51.1 percent of all loans consisting of commercial and industrial loans and loans secured by commercial real estate. Residential real estate loans, including those secured by multi-family properties, represent a total of 40.7 percent of the loan portfolio. Construction, consumer, and farm loans represent the remaining percentage of the loan portfolio.

The Lending Test analyses are based on the Bank's residential lending, derived from data collected in accordance with the Home Mortgage Disclosure Act ("HMDA") and the Bank's small business lending, derived from data collected in accordance with the CRA. For the purposes of this evaluation, small business loans are defined as commercial real estate loans and commercial/industrial loans originated by the Bank in an amount of \$1 million or less. Lending data originated between January 1, 2008, and September 30, 2010, was reviewed. Although 2008 lending data were reviewed, the tables that follow only contain data from 2009 and YTD 2010 because the Bank's lending performance in 2008 was generally comparable to that in 2009. Any notable differences are discussed in the applicable narrative sections.

While the Bank's loan portfolio is more heavily weighted towards commercial lending, the volume of HMDA loans the Bank made over the period reviewed is greater than the volume of commercial loans made over the same period. Therefore, equal weight is given to the Bank's performance in HMDA lending and small business lending throughout this evaluation.

The CRA evaluation also includes community development loans, innovative or flexible loan programs, qualified donations, and services for the period October 2, 2007 through December 27, 2010. Qualified community development equity investments and deposits held by the Bank during the evaluation period were also included regardless of investment date. The investments were valued at the December 31, 2010 book value.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS:

LENDING TEST

The Lending Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering the institution's home mortgage, small business, small farm, and community development lending. Rockland Trust Company's lending efforts are rated under five performance criteria: Lending Activity; Geographic Distribution; Borrower Characteristics; Community Development Lending; and Innovative or Flexible Lending Practices. The Bank did not originate any small farm loans during the evaluation period; therefore, this category of loans is not included in the analyses. Performance under the Lending Test is weighted more heavily than the Investment and Service Tests when arriving at the overall rating.

Lending Activity

The Bank's lending activity reflects a good responsiveness to the assessment area's credit needs. The Bank actively originates home mortgage, small business, and community development loans in its assessment area.

In 2008, the Bank originated 1,000 home mortgage loans totaling \$219 million inside the assessment area. Home purchase and refinancing loans represented the primary focus of the Bank's home mortgage lending and composed 33.8 percent and 58.4 percent, respectively, of the total number of home mortgage loans. Home improvement loans accounted for the remaining 7.8 percent. In 2009, the Bank originated 1,708 home loans totaling \$414 million inside its assessment area. Home purchase and refinancing loans again represented the primary focus of the Bank's home mortgage lending, but the percentage of home purchase loans decreased to 22.5 percent and the percentage of refinancing loans increased to 73.9 percent of total home mortgage loans. Home improvement loans accounted for the remaining 3.6 percent of total home loans.

Market rank data for 2008 provides additional insight into the Bank's volume of home mortgage lending. In 2008, the Bank ranked 13th among the 581 HMDA reporting lenders that originated home loans in the assessment area. The Bank's 1,000 loan originations represented a 1.6 percent market share. In 2009, the Bank ranked 12th among 619 lenders that originated home loans in the assessment area. The Bank's 1,708 loan originations again represented a 1.6 percent market share.

During the first three quarters of 2010, the Bank originated 1,240 home mortgage loans inside the assessment area. Of those 1,240 loans, 67.2 percent were refinance loans, 24.8 percent were home purchase, and the remaining 8.0 percent were home improvement loans. This information shows that the distribution of the Bank's home mortgage lending by loan purpose remained generally consistent.

Small Business Loans

In 2008, the Bank originated 1,183 loans for a 3.0 percent market share inside the assessment area. In 2009, the Bank originated 791 small business loans for a 4.1 percent market share.

In 2009, the number of small business loans decreased in both number and dollar amount compared to the prior year. The decline is attributable to the economic conditions of the Bank's market area, as reflected by a substantial decrease in the volume of lending by the aggregate market. In 2010, the decreasing trend in small business lending volume continued. The current weaknesses in the nation's economy have slowed business expansion and decreased the demand for equipment purchases and other business expenditures. Overall, the Bank's small business lending activity reflects a good responsiveness to the area's business credit needs.

Lending Within the Assessment Area

This performance criterion determines what percentage of the Bank's lending occurs within the assessment area and evaluates its appropriateness. The distribution of loans by number bears more weight on the Bank's rating than the distribution by dollar amount, because the number of loans correlates more closely to the number of individuals or families that were able to obtain home mortgage loans and the number of businesses that were able to obtain business-related financing. Based on a review of the home mortgage and small business loan data, a substantial majority of the Bank's lending activity occurred within the assessment area.

Refer to Table 3 for specific information concerning the distribution of loans inside and outside the assessment area.

Table 3 Distribution of Loans Inside and Outside of Assessment Area										
Loan Category	Number Loans					Dollar Volume				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
2009										
Home Purchase	384	87.9	53	12.1	437	93,358	83.0	19,056	17.0	112,414
Refinance	1,262	91.6	115	8.4	1,377	311,804	85.7	52,114	14.3	363,918
Home Improvement	62	92.5	5	7.5	67	8,647	85.9	1,424	14.1	10,071
2009 Total	1,708	90.8	173	9.2	1,881	413,809	85.1	72,594	14.9	486,403
YTD 2010										
Home Purchase	307	82.7	64	17.3	371	77,383	77.5	22,481	22.5	99,864
Refinance	833	90.0	93	10.0	926	185,754	85.7	30,962	14.3	216,716
Home Improvement	100	88.5	13	11.5	113	14,680	82.6	3,100	17.4	17,780
YTD 2010 Total	1,240	87.9	170	12.1	1,410	277,817	83.1	56,543	16.9	334,360
Total Home Loan	2,948	89.6	343	10.4	3,291	691,626	84.3	129,137	15.7	820,763
Small Business 2009	791	87.3	115	12.7	906	118,552	85.0	20,853	15.0	139,405
Small Business YTD 2010	592	90.2	64	9.8	656	87,326	85.9	14,326	14.1	101,652
Total Small Business	1,383	88.5	179	11.5	1,562	205,878	86.6	35,179	13.4	241,057
Grand Total	4,331	89.2	522	10.8	4,853	897,504	85.5	164,316	14.5	1,061,820
SOURCE: 2009 and YTD 2010 HMDA Data and CRA Small Business Loan Registers										

Home Loans

Table 3 shows that the Bank originated 2,948 home loans totaling approximately \$692 million inside the assessment area from 2009 to the end of the third quarter of 2010. This represents 89.6 percent of the total number of home loans originated by the Bank and 84.3 percent by dollar volume.

While 2008 data is not shown in Table 3, the proportion of home loans inside the assessment area showed an increase in 2009 compared to 2008. The increase is partially attributable to the low interest rates, which resulted in an increase of refinancing loans being originated. Overall, the percentage of the Bank's home mortgage loans inside the assessment area is considered high.

Small Business Loans

Table 3 shows that the Bank originated 1,383 small business loans totaling \$206 million inside the assessment area from 2009 to the end of the third quarter of 2010. This represents 88.5 percent of the total number of small business loans originated by the Bank and 86.6 percent by dollar volume. Again, 2008 data is not shown in the table, but the in-area percentage of small business lending has fluctuated slightly over the period reviewed, but is still a considered to be a high percentage.

Geographic Distribution

The geographic distribution of loans was reviewed to assess how well the Bank is addressing the credit needs throughout the assessment area, with emphasis on lending in low- and moderate-income census tracts. Based on a review of the Bank's HMDA and CRA small business data, the overall geographic distribution of the Bank's loans reflects a good penetration throughout the assessment area.

Home Loans

As mentioned previously under Description of Assessment Area, the Bank's assessment area comprises 495 census tracts: 21 (4.2 percent) low-income; 80 (16.2 percent) moderate-income; 231 (46.7 percent) middle-income; and 163 (32.9 percent) upper-income. The geographic distribution of the Bank's home mortgage loans throughout its assessment area is consistent with its lending capacity, its credit offerings, and the location of its branch offices.

Table 4 illustrates the geographic distribution of the Bank's 2009 and YTD 2010 residential mortgage lending within the assessment area by number of loans. For comparison purposes, the table includes the percentage of owner-occupied housing units within each income category and the aggregate market lending data for 2009.

Table 4 - Distribution of HMDA Loans by Census Tract Income									
Loan Category	# of Bank Loans	Percent of Bank Loans				Percent of Aggregate Lending			
		Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
2009									
Home Purchase	384	1.6	12.5	60.4	25.5	0.9	9.8	50.6	38.7
Refinance	1,262	0.2	6.5	56.5	36.8	0.4	5.4	44.5	49.7
Home Improvement	62	1.6	14.5	59.7	24.2	0.5	6.2	50.4	42.9
Total	1,708	0.5	8.2	57.5	33.8	0.5	6.5	46.1	46.9
YTD 2010									
Home Purchase	307	0.3	13.7	61.9	24.1				
Refinance	833	0.5	6.8	56.1	36.6				
Home Improvement	100	0.0	6.0	51.0	43.0				
Total	1,240	0.4	8.5	57.1	34.0				
Demographics	#	Distribution of Housing							
		Low	Moderate	Middle	Upper				
Owner Occupied Units	610,094	0.7	7.8	50.7	40.8				
SOURCE: HMDA Data for 2009 and YTD 2010. HMDA Aggregate Data for 2009. Demographics from 2000 US Census Data.									

During 2009, the Bank's lending in low-income census tracts fell below the percentage of owner-occupied units in those tracts. However, the lending percentage in those tracts matched aggregate lenders' percentage of lending at 0.5 percent. In addition, the Bank's lending in moderate-income census tracts was 8.2 percent, which was higher than the percentage of owner-occupied units in those tracts at 7.8 percent and the aggregate lenders' percentage of 6.5 percent. During the first three quarters of 2010, the Bank's lending in low-income census tracts fell slightly, but lending in the moderate-income tracts rose. Overall, the data show that the Bank has achieved a good dispersion of home mortgage loans throughout the assessment area.

Small Business Loans

The distribution of the Bank's small business loans reflects a good dispersion throughout the assessment area, particularly within the low-income census tracts. Table 5 illustrates the geographic distribution of the Bank's small business loans within the assessment area, as well as the aggregate lending performance and the business demographics for 2009.

Table 5 Distribution of Small Business Loans by Census Tract Income									
Year	# of Bank Loans	Percent of Bank Loans				Percent of Aggregate Lending			
		Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
2009	791	4.4	8.3	55.4	31.9	2.7	9.1	46.6	41.6
YTD 2010	592	3.7	10.3	54.1	31.9				
Demographics	#	Distribution of Businesses							
		Low	Moderate	Middle	Upper				
Businesses	217,179	3.4	10.8	45.8	40.0				
SOURCE: 2009 and YTD 2010 CRA Small Business Loan Registers, and 2009 Peer Small Business Data and 2009 Business Geodemographic Data									

As shown in Table 5, in 2009, the Bank originated 4.4 percent of all small business loans in low-income census tracts and 8.3 percent in moderate-income census tracts. The Bank's performance in the low-income tracts is higher than both the percentage of businesses in those tracts (3.4 percent) and the aggregate market performance (2.7 percent), but the Bank's performance in moderate-income tracts is lower than both the percentage of businesses in those tracts (10.8 percent) and the aggregate market performance (9.1 percent). The YTD 2010 data show a drop in the Bank's percentage of loans in low-income tracts to 3.7 percent and an increase in the percentage of loans in moderate-income tracts to 10.3 percent. Overall, the data reflect that the Bank has achieved a good dispersion of small business loans throughout the assessment area.

Lending to Borrowers of Different Income Levels and Businesses of Different Sizes

The distribution of loans by borrower income and business revenue was reviewed to determine the extent to which the Bank is addressing the credit needs of the area's residents and small businesses. Based on the review of the HMDA and the CRA data, the Bank has achieved an excellent penetration of loans among retail customers of different income levels and businesses of different revenues.

Home Loans

The residential lending data was reviewed to assess how well the Bank is addressing the housing credit needs of the area's low-, moderate-, middle-, and upper-income residents. See Table 6 for information concerning the distribution of HMDA loans by borrower income.

Table 6 Distribution of HMDA Loans by Borrower Income (Excludes Borrowers for Which Income is Not Available)									
Loan Category	# of Bank Loans	Percent of Bank Loans				Percent of Aggregate Lending			
		Low	Moderate	Middle	Upper	Low	Moderate	Middle	Upper
2009									
Home Purchase	343	8.7	37.3	23.3	30.7	6.3	22.7	27.5	43.5
Refinance	1,211	5.2	21.9	28.3	44.6	4.1	15.1	26.1	54.7
Home Improvement	55	27.3	23.6	10.9	38.2	8.3	18.9	28.0	44.8
Total	1,609	6.7	25.2	26.7	41.4	4.8	17.0	26.5	51.7
YTD 2010									
Home Purchase	266	8.6	26.3	29.3	35.8				
Refinance	800	9.3	20.4	26.6	43.7				
Home Improvement	93	17.2	17.2	28.0	37.6				
Total	1,159	9.7	21.5	27.4	41.4				
Demographics	#	Distribution of Families							
		Low	Moderate	Middle	Upper				
Families	611,739	17.2	16.5	22.1	44.2				
SOURCE: 2009 and YTD 2010 HMDA LARS, 2009 HMDA Aggregate Data and Demographics from 2000 US Census Data									

Table 6 shows that in 2009, the Bank originated a higher percentage of HMDA reportable loans to low- and moderate-income borrowers than the percentage of HMDA loans originated by aggregate lenders in the same area. In 2010, the Bank increased its lending to low-income borrowers. The Bank originated a lower percentage of loans to low-income borrowers when compared to the percentage of low-income families in the Bank's assessment area. Considering that many of those low-income families do not have the means to acquire a home mortgage loan, the lower percentage in lending to low-income families is expected. On the contrary, the Bank has originated a higher percentage of loans to moderate-income borrowers in 2009 and in the first three quarters of 2010 when compared to the percentage of moderate-income families in the Bank's assessment area. Overall, the Bank has done an excellent job in addressing the credit needs of low- and moderate-income borrowers.

Small Business Loans

The Bank's small business lending was reviewed to assess how well the Bank is addressing the area's business credit needs. Refer to Table 7 for information concerning the distribution of small business loans to businesses with revenues under \$1 million. Overall, the Bank has an excellent penetration among businesses of different sizes.

Table 7 Distribution of Small Business Loans to Business with Revenues under \$1 million								
Year	Bank Loans to Businesses with GAR <= \$1 million				Aggregate Lending to Businesses with GAR <= \$1 million			
	#	%	\$ (000)	%	#	%	\$ (000)	%
2009	412	52.1	52,512	44.3	41,739	25.8	1,548,667	28.3
YTD 2010	301	50.8	26,711	30.6				
Demographics	#	Business Revenue Size						
		<= \$1 million	Over \$1 million	Not Reported				
Businesses	217,179	76.0	5.4	18.6				
SOURCE: 2009 and YTD 2010 CRA Small Business Loan Registers, 2009 Peer Small Business Data and 2009 Business Geodemographic Data								

As shown in Table 7, in 2009, the Bank originated 52.1 percent by number and 44.3 percent by dollar volume of its small business loans to small businesses. Despite adverse economic conditions during this time, the Bank still originated a higher percentage of loans than aggregate lenders, both by number and by dollar volume, to businesses with gross annual revenues of less than or equal to \$1 million.

From 2009 to YTD 2010, the Bank's percentages of loans to small businesses decreased, especially by dollar volume. Conversely, the lending percentages of loans to larger businesses increased during the same period. The increase can be attributed to various economic conditions such as the rise in unemployment rates, the continued decline in home prices, and the increase in bankruptcies.

The Bank's small business loans were also analyzed by loan size as a proxy for the size of business. The analysis is based on the assumption that loans of smaller dollar amounts are most likely made to the smallest businesses. Overall, the Bank has a good distribution of loans by loan size. Refer to Table 8 for specific information concerning the small business loans by loan amount.

Table 8								
Distribution of Small Business Loans by Loan Size								
Loan Size	Bank Loans				Aggregate Lending			
	#	%	\$ (000's)	%	#	%	\$ (000's)	%
2009								
Less than \$100,000	512	64.7	19,103	16.1	38,516	93.0	444,041	28.7
\$100,000 - \$250,000	124	15.7	22,093	19.5	1,323	3.2	243,416	15.7
Over \$250,000	155	19.6	76,356	64.4	1,564	3.8	861,210	55.6
Total	791	100.0	118,552	100.0	41,403	100.0	1,548,667	100.0
YTD 2010								
Less than \$100,000	385	65.0	13,738	15.7				
\$100,000 - \$250,000	103	17.4	19,110	21.9				
Over \$250,000	104	17.6	54,478	62.4				
Total	592	100.0	87,326	100.0				
<i>SOURCE: 2009 and YTD 2010 CRA Small Business Loan Registers and 2009 Peer Small Business Data</i>								

As shown in Table 8, in 2009, the aggregate market had a significantly higher percentage of loans in amounts under \$100,000. The aggregate data, however, includes several large credit card lenders that originate and report a high volume of small dollar credit cards for business purposes. The Bank does offer a business credit card product, but it was not introduced until 2010. Therefore, it is not unexpected that the Bank's percentage of loans under \$100,000 would be lower than the market. Overall, the Bank's performance by loan size supports the assessment that its business lending reflects an excellent penetration among businesses of different size.

Community Development Lending

The Bank's community development lending activities are evaluated pursuant to the following criteria: (1) the extent to which community development lending opportunities have been made available to the institution; (2) the responsiveness of the institution's community development lending; and (3) the extent of leadership the institution has demonstrated in community development lending.

For the purpose of this evaluation, a community development loan is a loan that: (1) has community development as its primary purpose; (2) has not already been reported by the Bank for consideration under small business or home mortgage lending (unless it is a multifamily dwelling loan); and (3) benefits the Bank's assessment area or a broader statewide or regional area that includes the Bank's assessment area.

Rockland Trust Company is considered a leader among banks of its asset size for providing community development loans. During this evaluation period, the Bank originated or renewed 12 community development loans in its assessment area totaling \$40.2 million. During the previous CRA evaluation period, the Bank originated 27 community development loans totaling \$27.7 million. The Bank's community development lending activity is summarized in Table 9.

Table 9 Community Development Loans						
Community Development Category	2008		2009		2010	
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)
Affordable Housing	0	0	1	5,580	0	0
Community Services	4	7,520	1	2,000	1	2,000
Economic Development/Revitalization	0	0	3	4,566	2	18,500
Total	4	7,520	5	12,146	3	20,500

Source: Internal Bank Records

Listed below are the community development projects funded by the Bank.

In 2008, the Bank originated a \$1.2 million loan to a development company to refinance an affordable housing building in a moderate-income census tract.

In 2008, Rockland Trust Company originated a \$3.8 million loan to a non-profit organization whose purpose is to help individuals achieve the highest quality of life. The loan is to finance the construction of a community development center located in a moderate-income census tract. The center will provide afterschool programs, summer camps, childcare, and residential treatment for youths, regardless of ability to pay.

In 2009, the Bank originated a \$5.6 million loan for the construction of 35 affordable housing units.

In 2010, Rockland Trust Company originated an \$8.5 million construction loan for a medical office building on a piece of property designated as a recovery zone. A recovery zone is defined as an area having significant poverty, unemployment, home foreclosures, general distress; or an area that has already been federally designated as an Empowerment Zone or Renewal Community.

In 2010, the Bank provided a \$10 million line of credit to a developer to finance the infrastructure of a mixed-use development that will provide over 100 affordable housing units, community facilities, and space for small businesses.

During the examination period, the Bank provided a \$2.3 million loan and a \$2 million line of credit, which was renewed during the examination period, to a non-profit organization that provides services and housing to mentally disabled individuals and also offers employment and training programs to assist economically disadvantaged individuals obtain employment.

During the examination period, Rockland Trust Company provided four SBA 504 loans totaling \$4.8 million to local business owners for the acquisition and renovation of properties. The properties will create employment opportunities and contribute to the overall economic development of the communities.

Innovative or Flexible Lending Practices

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: (1) the degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and (2) the success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the review period.

Rockland Trust Company uses innovative and/or flexible lending practices in order to serve the assessment area's credit needs. The Bank offers various special mortgage loan programs tailored to assist either lower-income individuals or first time homebuyers in pursuing or maintaining home ownership. Additionally, the Bank offers Small Business Administration (SBA) loans to better meet the credit needs of the area's small businesses. Loans originated under these programs were reported on the Bank's HMDA LARs and CRA Small Business Loan Registers and have already received credit in the Lending Test. The programs described below highlight the innovative and flexible underwriting standards employed in the origination of loans for low- and moderate-income people and to businesses of different sizes. During the CRA evaluation period, the Bank originated 615 loans totaling \$136 million under these programs.

MassHousing Loans

Rockland Trust Company is a MassHousing approved lender. MassHousing is a quasi-public authority charged with increasing affordable home ownership opportunities. MassHousing loans offer affordable interest rates fixed for the life of the loan, 30 year repayment terms, low and no down-payment options, flexible underwriting and income limits, mortgage payment protection and no hidden fees or other surprises. MassHousing loans also include My Community Loans, Purchase and Rehab Loans, MassAdvantage Loans such as MassAdvantage Low, MassAdvantage First Step, and MassAdvantage 100. These loan programs are available for first time homebuyers to take advantage of a 30 to 40 year, below market, fixed rate financing for the purchase of a home. Purchase and rehabilitation loans are for first time home buyers that are purchasing a home that needs major repairs. Borrowers may finance up to 97 percent of the sales price or the appraised value, whichever is less. During the examination period, the Bank originated 274 MassHousing program loans totaling \$56,393,843.

Soft Second Mortgage Program

This program is a joint initiative of the public and private sectors to increase affordable housing opportunities for low- and moderate-income homebuyers. It combines a conventional first mortgage with a subsidized second mortgage to help low- and moderate-income households to qualify for a mortgage and purchase a home for the first time. During the examination period, the Bank made 37 soft second loans totaling \$1,408,180.

The Buy Cities Program (Brockton/Fall River/New Bedford)

This program originally started out as “The Buy Brockton Program” in 2008, but the Bank added New Bedford and Fall River in 2009, thus creating “The Buy Cities Program.” The program is designed to alleviate some of the negative impact from the current foreclosure crisis by offering qualified buyers financing to purchase homes currently owned by banks through foreclosures or those that will be sold in short sales. The loan program offers a 30 year fixed rate loan, with a maximum loan-to-value of 100 percent, discounted interest rates, discounted closing costs, and no-cost mortgage payment protection insurance through MassHousing. The Bank originated 10 loans totaling \$1,568,128.

DU Refinance Plus Program

Fannie Mae launched this program to assist homeowners by allowing them to easily refinance their current Fannie Mae mortgages into better terms. The goal of this program is to provide access to low-cost refinancing for responsible homeowners suffering from falling home prices. The expectation of refinancing is to reduce the monthly principal and interest payments or to move the borrower from a more risky loan structure, such as interest-only or short term adjustable rate mortgages, to a more stable product. DU Refinance Plus loans receive increased underwriting flexibilities, including expanded eligibility criteria and DU minimum documentation requirements. The Bank originated 29 loans totaling \$7.2 million.

Loan Modifications

The Bank offered loan modifications for residential loans to help their customers avoid foreclosure and retain their home ownership. During the examination period, the Bank made 116 loan modifications for residential loans.

SBA Loan Programs

The Bank also offers loan programs through the SBA, including the SBA 504, SBA 7A, and the SBA Express Program. These programs offer financing for qualified businesses that may not be eligible for traditional bank financing. Rockland Trust Company originated 143 SBA loans totaling \$67.4 million during the examination period.

INVESTMENT TEST

Qualified Investments

A qualified investment for the purposes of this CRA evaluation is a lawful investment, deposit, donation, or grant that has community development as its primary purpose. The investment test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment areas or a broader statewide or regional area that includes the institution's assessment areas. Activities considered under the lending or service test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

The Bank's qualified community development equity investments and donations reflect an excellent responsiveness to credit and community development needs given the extent to which such opportunities are available within the assessment area. The Bank has taken a leadership role in making investments and donations within its assessment area. During the evaluation period the Bank's equity investments and charitable donations total \$76,812,535. This figure includes the amount of new qualified investments and donations made to qualified organizations during the time period of the examination, and the current book value of existing qualified investments.

Qualified equity investments total \$76,332,013, which represents 1.6 percent of the Bank's total assets and 10.6 percent of total investments of \$719,476,000. Listed below are the Bank's qualified equity investments.

EQUITY INVESTMENTS

New Markets Tax Credit (NMTC) Program. The NMTC Program is administered by the United States Department of the Treasury's Community Development Financial Institutions (CDFI) Fund to spur revitalization efforts of low-income and impoverished communities by providing tax credit incentives to investors for equity investments in certified Community Development Entities (CDEs) that invest in low-income communities. In 2009, the Bank's subsidiary, Rockland Trust Community Development III LLC (a CDE), was awarded \$50 million in tax credits through this program. The award enables the subsidiary to provide tax credits to investors and utilize the funds invested for community development purposes. The Bank invested \$50 million in the subsidiary during the evaluation period in exchange for the tax credits. In addition, during the evaluation period, the Bank funded the remaining \$22.5 million of its \$45 million commitment to its subsidiary Rockland Trust Community Development II LLC (a CDE) in exchange for tax credits awarded to the subsidiary in 2006.

SEED Venture Finance, LLC. This is a private investment firm specializing in subordinated debt, senior debt and equity investments in small and medium sized businesses. SEED Venture Finance manages SEED Ventures LP, a \$20 million small business investment company (SBIC) focused on investments in Southeastern Massachusetts and Rhode Island. Since 2004, the Bank has committed a total of \$1,250,000 to SEED. Of that amount, \$595,250 has been funded, and the current book value is \$473,648. The remaining \$654,750 of the Bank's commitment has not yet been funded.

MB Capital Fund II, LLC. This is a limited partnership managed by the Massachusetts Business Development Corporation. The objective of the partnership is to provide capital to established Massachusetts small businesses in the need of capital growth. The current book value of the Bank's investment is \$171,533.

Access Capital Strategies Community Investment Fund, Inc. (ACSCIF) - The ACSCIF is an SEC-registered fund structured as a business development corporation. The primary purpose of the fund is to provide a secondary market and financing vehicle

for community development loans. The fund invests in private placement debt securities that support affordable housing, education, small business loan securitizations, and other job creating investments within a target region specified by the investing institution. The Bank acquired investments made in this fund through its mergers with Slade's Ferry Trust Company and Benjamin Franklin Bank. The current book value of the Bank's investments is \$3,186,832.

Donations

The Bank's qualified donations are those made directly through the Bank and those made through the Bank's Charitable Foundation. The Rockland Trust Charitable Foundation was founded in 2005 as the Benjamin Franklin Bank Charitable Foundation. The Foundation was amended by the Board of Directors in 2009 shortly after Rockland Trust Company's acquisition of Benjamin Franklin Bank. The Foundation was formed, and has been maintained, to solidify the Bank's commitment to helping non-profit organizations carry out their work to serve consumers and businesses in the community. Although the vast majority of the Bank's charitable donations are made directly through the Bank, the Foundation does provide contributions to organizations that provide education, training, affordable housing, youth programs, and health and human services for individuals in need.

The total amount of qualified donations made by the Bank and the Foundation from October 2, 2007 through December 27, 2010 was \$480,522, representing 24.4 percent of the Bank's and the Foundation's total contributions of \$1,969,696. The Bank's total donations by year are as follows: 4Q2007 (\$19,245), 2008 (\$147,447), 2009 (\$170,563), and 2010 (\$143,267). The donations made directly by the Bank represented 0.18 percent, 0.42 percent, 0.37 percent, and 0.33 percent of pre-tax net operating income (NOI) for each respective period. Table 10 below illustrates this information.

Table 10					
Community Development Donations by Bank and Foundation					
	4Q2007	2008	2009	2010	Total
Rockland Trust Company	\$19,245	\$147,447	\$124,313	\$103,167	\$394,172
Rockland Trust Charitable Foundation	N/A	N/A	\$46,250	\$40,100	\$86,350
Total	\$19,245	\$147,447	\$170,563	\$143,267	\$480,522
Pre-tax NOI	\$10,815,000	\$34,916,000	\$33,571,000	\$39,459,000	\$118,761,000
Bank Donations/Pre-Tax NOI	0.18	0.42	0.37	0.26	0.33
Number of Organization Benefiting from Donations	19	110	141	83	353

Source: Internal Bank Records

The following table details the qualified donations made directly by the Bank by community development category.

Table 11 Community Development Donations by Category										
Community Development Category	4Q2007		2008		2009		2010		Total	
	#	\$	#	\$	#	\$	#	\$	#	\$
Affordable Housing	2	4,800	9	9,467	26	17,073	14	19,155	51	50,495
Community Services	17	14,445	96	123,430	93	67,740	48	60,537	254	266,152
Economic Development/Revitalization	0	0	5	14,550	6	39,500	3	23,475	14	77,525
Total	19	19,245	110	147,447	125	124,313	65	103,167	319	394,172

Source: Internal Bank Records

Some of the organizations that the Bank made qualified grants or donations to are listed below.

Child and Family Services - This non-profit human service organization's mission is to heal and strengthen the lives of children and families by providing services ranging from mental health counseling for children to teen pregnancy prevention to adoption services.

The Cape Cod Foundation - The Cape Cod Foundation's mission is to build permanent charitable resources for community betterment through informed grant making and civic leadership to serve the needs of the people of Cape Cod. The Foundation acts as a vehicle for linking community resources with community needs. This is accomplished by building a pool of funds, investing them, and distributing income from the funds to nonprofit organizations and institutions such as CapeAbilities, Falmouth Housing Trust Inc., Cape Cod Center for Women, and Family Pantry Corp.

Nativity Preparatory School of New Bedford - Nativity Prep is an independent, tuition-free middle school for boys from low-income families in the New Bedford area. No tuition is charged; funds are raised through contributions from friends, sponsors, corporations, and foundations.

Stars: Excellence in Education, Enrichment, and Family Support - Stars provides comprehensive early education and youth programs, using a family support approach, that enhance the development of children from economically and culturally diverse families through collaboration with parents, schools and communities. The four core goals that form the foundation are: enable parents to work; help each child reach their full developmental potential; facilitate positive youth development; and improve academic achievement for students at risk of academic failure.

The Second Step - The Second Step is a comprehensive program for survivors of domestic violence. Founded in 1992, this organization offers transitional housing, advocacy, safety planning, mentoring, children's programs, legal case management, and an array of supportive services for families transitioning away from abusive situations.

South Shore Housing Development Corporation - South Shore Housing Development Corporation is committed to enhancing the quality of life for low- and moderate-income individuals by providing decent, safe, and affordable housing, helping families move toward economic and social independence, and assisting individuals reconnect with their community.

Corline Cronan's Family - Established in memory of Sister Corline L. Cronan, this non-profit organization is dedicated to helping families and individuals in need in the greater Taunton area.

The following table details the donations made by the Foundation by community development category.

Table 12 Community Development Grants and Donations by Category						
Community Development Category	2009		2010		Total	
	#	\$	#	\$	#	\$
Affordable Housing	6	33,750	7	28,550	13	62,300
Community Services	8	7,250	10	6,550	18	13,800
Economic Development/Revitalization	2	5,250	1	5,000	3	10,250
Total	16	46,250	18	40,100	34	86,350

Source: Internal Bank Records

Some of the organizations that the Bank's Foundation made qualified donations to are listed below.

Refuge, Education, Advocacy, Change (REACH) - This organization's mission is to create strong, healthy families and communities by offering safe housing, shelter, and vital services to women, men, children and families who have experienced domestic violence.

Waltham Alliance to Create Housing (WATCH) - The mission of this non-profit community development corporation is to build, preserve, and promote affordable housing and to enhance economic opportunities, civic participation, and leadership of low- and moderate-income families.

Kennedy-Donovan Center - This organization administers programs geared to benefit the disabled and low-to-moderate-income families.

Rodman Ride for Kids - The Rodman Ride for Kids is a one-day cycling tour that raises money for nonprofit agencies that promote healthy, positive lives for children throughout New England. The Ride has raised over \$30 million for a variety of organizations, such as, The House of Possibilities (a/k/a HOPE) that serve children and families.

Responsiveness to Credit and Community Development Needs

The Bank's qualified equity investments and donations exhibit an excellent responsiveness to the area's credit and community development needs. The investments in new market tax credits and capital funds and contributions to local charitable and social service organizations demonstrate a commitment to the local area's welfare.

Community Development Initiatives

The Bank has shown a willingness to invest in innovative or complex investments to support community development initiatives. The New Market Tax Credit Program is a very complex and competitive program.

SERVICE TEST

The Service Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income community development services.

Distribution of Branches

Rockland Trust Company's service delivery systems are readily accessible throughout its assessment area. The Bank's corporate headquarters is located in Rockland, in a middle-income census tract. The Bank currently operates 68 full-service and 2 limited-service branch offices, as well as nine commercial lending centers, four mortgage banking centers and four Investment Management Group offices located throughout eastern Massachusetts. The full-service branches are located in Abington, Attleboro, Bellingham, Bourne, Braintree, Bridgewater, Brockton (4), Carver, Centerville, Chatham, Cohasset, Duxbury, Fairhaven, Fall River (2), Falmouth (3), Foxborough, Franklin (2), Halifax, Hanover, Hanson, Hingham, Hull, Hyannis, Kingston, Manomet, Marshfield,

Mashpee, Medfield, Middleboro (2), Milford, New Bedford, Newtonville, North Attleboro, North Plymouth, Norwell, Orleans, Osterville, Pembroke, Plymouth (2), Quincy, Randolph, Raynham, Sandwich, Scituate, Seekonk, Somerset (2), South Yarmouth, Stoughton, Swansea, Waltham (2), Wareham, Watertown, Wellesley, West Dennis, Weymouth and Whitman (2). One of the limited-service branches is located at the Whitman High School in Whitman and provides students with an educational and vocational opportunity. The other limited-service branch is located at the Village of Duxbury, a senior citizen housing complex in Duxbury.

Rockland Trust Company's distribution of branches and automated teller machines (ATMs) represents an adequate distribution throughout the assessment area. The table below compares the distribution of branches to the percentage of tracts in each income category and the percentage of population within each tract category. As noted in the table below, 2.8 percent of the Bank's branches are located in low-income census tracts 10.0 percent are located in moderate-income census tracts, 58.6 percent are located in middle-income census tracts and 28.6 percent are located in upper-income census tracts.

Table 13						
Distribution of Branches and ATMs						
Census Tract Income	% of Tracts	% of Population	Branches		ATMs	
			#	%	#	%
Low	4.2	2.3	2	2.8	2	2.1
Moderate	16.1	13.7	7	10.0	8	8.3
Middle	46.6	47.8	41	58.6	54	56.3
Upper	32.9	36.1	20	28.6	32	33.3
N/A	0.2	0.1	0	0.0	0.0	0.0
Total	100.0	100.0	70	100.0	96	100.0

Source: Internal Bank Records

As noted in Table 13, the Bank has 96 ATMs located throughout the assessment area. All full-service branches, with the exception of one Fall River branch, have ATMs. There are seven remote walk-up ATMs; two at the Hanover Mall, one at Cabot's Ice Cream in Newton, one at Brigatine Village in Pembroke, one at the Bank's Technology Center in Plymouth, one at the Colonial Shopping Plaza in Waltham, and one at South Shore Hospital in Weymouth, all located in middle- and upper-income census tracts. All ATM cards issued by the Bank provide access to local and national networks. The Bank is a participant in the SUM Selective Surcharge Program that provides surcharge-free ATM service to customers of member institutions. Of the 96 ATMs, 55 are linked to the SUM network, of which 1 or 1.8 percent are in low-income census tracts, 5 or 9.1 percent are in moderate-income census tracts, 27 or 49.1 percent are in middle-income census tracts, and 22 or 40.0 percent are in upper-income census tracts.

Record of Opening and Closing Branches

To the extent changes have been made, the institution's record of opening and closing branches has not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

The Bank closed three branches during the CRA evaluation period. On February 1, 2008, the Bank closed the Harwich branch located in a middle-income census tract. On January 23, 2009, the Bank closed the Hyannis Airport branch, located in a low-income census tract, and on January 29, 2010, the Bank closed the Assonet branch, located in an upper-income census tract.

The Bank maintains a Branch Office Opening and Closing policy. The policy details the procedure the Bank will follow before opening or closing a branch office.

Retail Banking Services

Services, including business hours, are tailored to the convenience and needs of the assessment area, particularly the low- and moderate-income geographies and individuals. Branch hours are convenient and comparable to other institutions, and bank services are more than sufficient to meet the needs of the assessment area. All of the Bank's branches are open on Saturday and many branches are open on Sunday.

The Bank offers a variety of financial services through its branch network designed to meet the credit needs of its communities. Deposit services include checking and savings accounts, money market accounts, certificates of deposit, certificate of deposit registry service, and individual retirement accounts.

The Bank also offers a variety of loan products. These include various home mortgage programs with competitive rates and flexible terms such as fixed rate loans, adjustable rate loans, jumbo mortgages, construction to permanent loans, first time homebuyer loans, bridge loans, reduced documentation loans, impaired credit program, vacation home loans, home equity loans and lines of credit, reverse and express mortgages, personal loans, auto loans, boat loans, and overdraft protection lines of credit.

Alternative Delivery Systems

As noted previously, ATMs and drive-ups are available at each of the Bank's office locations, with the exception that one Fall River branch does not have an ATM. Also noted previously, the Bank also has seven remote walk-up ATMs located throughout the assessment area.

The Bank offers internet banking at its website www.rocklandtrust.com. This service enables customers to view their savings, checking and loan accounts, monitor account activity, review statements and check to see which checks have been paid. Customers are able to transfer money between accounts, schedule recurring transfers, pay bills and stop payment on checks.

The Bank also offers telephone banking which allows customers quick access to automated account information, opening new accounts, online banking and bill pay support or place a check reorder. The automated telephone banking functionality includes your account balances, transactions posted to your accounts, transfer funds capability or make loan payments capability.

Business Banking Services

Rockland Trust Company offers a full-range of financial solutions tailored to fit all business needs. These include a comprehensive package of financial services including: business checking, small business checking, commercial checking, business savings, business money market savings, certificates of deposit, retirement plans, trust services, and investment services. Business services include online banking, automated clearing house (ACH) origination, 24 hour telephone banking, electronic bill pay, sweep accounts, remote deposit, and wire transfers. Business loans include commercial mortgages, lines of credit, term loans, SBA loans, construction and land development loans, overdraft protection, and credit cards. The Bank also offers investment management services for retirement plans.

Community Development Services

Rockland Trust Company is a leader among banks of its asset size in providing community development services. These community development services have resulted in a better educated community, an increased awareness of community needs, and improvements in the communities served. The Bank offers various services to low- and moderate-income residents within the assessment area and provides technical assistance to organizations with a community development purpose.

Below are some examples of activities conducted and organizations that employees were involved in during the evaluation period. All of the services meet the definition of community development and also relate to the provision of financial services as required for consideration under CRA.

Catholic Charities South – This non-profit organization offers a continuum of care, including basic needs and emergency services, such as: food, fuel, rental and utility assistance; family youth and support services; English classes; and mental health and substance abuse counseling. The Director of Information Technology is an Advisor for the fundraising committee.

Massachusetts Housing Partnership (MHP) – MHP is a statewide, non-profit affordable housing organization that was established in 1985 to increase the state's overall rate of housing production and to find creative new solutions to address the need for affordable housing. The President is a Director.

New Hope Inc. – This non-profit human services agency assists people in crisis. New Hope offers individual and family support services through five complementary programs: new start transitional living programs; batterer intervention services; domestic violence services; sexual assault services; and visitation centers. The Vice President of Commercial Lending is a Director.

Neighborhood Housing Services of the South Shore – This organization is a partnership of residents, businesses, and local governments, whose mission is to create housing opportunities by educating and assisting first-time homebuyers to purchase their own homes, developing affordable housing for those in need, and making home rehabilitation loans. The Vice President Regional Mortgage Manager is a Chairperson.

South Eastern Economic Development (SEED) – SEED focuses on job creation by financing all types of small businesses in Massachusetts and Rhode Island. The Executive Vice President of Commercial Lending is the Vice Chairman.

The Boys & Girls Club of Greater New Bedford/Wareham – The Club assists boys and girls from all socio-economic backgrounds to develop the positive qualities required to become responsible citizens and leaders. The Senior Vice President Commercial Loan Officer is a Director.

New Bedford Economic Development Council, Inc. – The Council provides leadership by building consensus on the city's economic future, coordinating economic development initiatives, serving as a business liaison to City Hall, and providing financing and educational opportunities in order to create and strengthen economic development opportunities in greater New Bedford. A Commercial Loan Officer is a Member of the Loan Committee.

Credit for Life Fair – The Fair teaches students the basics of housing, employment, transportation, insurance and credit that they will need to apply in the future. The First Vice President Commercial Loan Officer is an Advisor.

South Shore Habitat for Humanity – This faith-based, nonprofit organization is dedicated to building simple, decent homes in partnership with families in need. The Vice President Business Banking Officer is a Member of the Credit Review Team.

Educational Services and Seminars

Bank officers and employees have participated in seminars and other events sponsored by the Bank during the evaluation period. These events provide opportunities for Bank representatives to inform those in attendance about the products and services offered by the Bank and to gain information about unmet credit needs in the assessment area.

On March 28, 2008, the Bank sponsored an SBA seminar to help business owners launch a small business or take an existing business to the next level. Topics included: discussing SBA counseling and training resources available to assist start-up and growing businesses; how SBA and lending institutions work together to assist entrepreneurs in accessing the financing needed to start and grow their businesses; and the number of SBA programs available to help small businesses obtain a fair share of the contracts.

On September 25, 2008, the Bank participated in a program with Southern New England Entrepreneurs Forum (SNEEF), a nonprofit organization dedicated to fostering entrepreneurship through presentations and networking. A panel of experts reviewed and discussed business plans, offered an analysis of a plan, and provided practical advice for the business and others seeking start up funding.

In 2009, the Bank conducted several “Credit Presentations.” Topics included: understanding your credit report and credit score and three things to remember: (1) the purpose of a credit report and what information is contained in a credit report; (2) the purpose of a credit score and what information is contained in a credit score; and (3) credit “tips of the trade,” plus identifying and avoiding credit fraud.

On April 13, 2010, the Bank co-sponsored the Credit for Life Fair held at the South Shore Vocational Technical High School in Hanover. The Bank promoted financial literacy by setting up booths and helping graduating seniors figure out their living expenses and develop a working budget for their lives after graduation.

During the examination period, the Bank sponsored six SEED Entrepreneurial Workshops. Topics included: introduction to the fundamentals of business ownership; learning the fundamentals of planning, preparing and financing your business; understanding financial statements and how they help to determine the health of your business.

Rockland Trust Company partners with a number of local non-profit organizations (Neighborhood Housing Services, Brockton Housing, and Quincy Community Action Committee) and sponsors first-time homebuyer seminars throughout the assessment area. The seminars counsel prospective first-time homebuyers on all the facets of mortgage lending as part of the CHAPA approved first-time homebuyer’s education program. The seminar topics include information about credit and budgeting; the mortgage process, programs available, working with a real estate agent, the purchase and sale agreement, and closing on your loan.

During the examination period, the Bank held 66 first-time homebuyer seminars at its branch offices. Topics included: getting ready for home ownership; what is a pre-qualification; the four C’s (credit, collateral, capacity and capital); what is a pre-approval, advantages of home ownership, and required purchase documentation.

During the examination period, the Bank conducted 63 reverse mortgage seminars. Topics included: what is a reverse mortgage; reverse mortgage basics; how a reverse mortgage works; reverse mortgage products; and common misconceptions or “myths” of reverse mortgages.

During the examination period, the Bank conducted financial literacy programs for students from kindergarten to high school to teach the importance of savings and smart spending. Topics included: basic savings and spending practices; how interest works; definition of credit and how it works; are you credit worthy and tips to becoming credit worthy; and the difference between credit and debit cards.

Other Community Development Services

In 2009, following the merger between Rockland Trust Company and Benjamin Franklin Bank, Rockland Trust Company made a commitment to allow the Franklin Food Pantry to use the former Benjamin Franklin Bank operations center free of charge.

The Bank participates in the Interest on Lawyers' Trust Accounts (IOLTA). Interest earned on the account is utilized to help fund improvements in the administration of justice and delivery of legal services to low-income clients. The Bank contributed \$119,399.61 in interest for the third and fourth quarters of 2007, \$305,449.79 for 2008, \$226,331.75 for 2009, and \$259,037.02 for 2010, for a total of \$910,218.17.

The Bank participates in the Massachusetts Community and Banking Council's (MCBC) Basic Banking in Massachusetts program. This statewide program is designed to offer low cost checking and savings accounts to low- and moderate-income individuals.

In 2009, of the 40 MassHousing lenders, Rockland Trust Company was named the Number One MassHousing Lender for Plymouth County with 26 loans totaling \$14.5 million. MassHousing is the state's affordable housing bank whose purpose is to provide home ownership and rental housing opportunities for Massachusetts residents with low- and moderate-incomes who are underserved by conventional housing markets.

Rockland Trust Company was named the 2010 Small 1st Mortgage Lender of the Year for all of Massachusetts lenders with 23 loans totaling \$12.5 million under the SBA's 504 loan program for the fiscal year ending September 30, 2010. The program is designed for companies that are growing and lets businesses borrow money for real estate and equipment. The SBA 504 loans are structured so that the financial institution takes out the first mortgage equal to 50 percent of the loan, the SBA puts up 40 percent and the business owner contributes 10 percent. The Bank will accept the award on May 24, 2011 at a ceremony in Washington D.C. coinciding with National Small Business Week.

RESPONSE TO CRA COMPLAINTS

A review of FDIC records, as well as the Public File maintained by the Bank pursuant to the Community Reinvestment Act, disclosed no complaints relating to the Bank's CRA performance.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The Bank's compliance with fair lending regulations was reviewed and violations of the Equal Credit Opportunity Act and the implementing regulation, Regulation B, were identified. The effect of the violations on the assessment areas is considered to be limited, and management committed to take appropriate corrective action. Therefore, the Bank's CRA rating was not downgraded as a result of these violations.

METROPOLITAN AREAS

DESCRIPTION OF INSTITUTION'S OPERATIONS IN BARNSTABLE-YARMOUTH, MA MSA:

Rockland Trust Company operates 13 full-service branch offices in the Barnstable-Yarmouth, MA MSA ("Barnstable MSA"), which is located on Cape Cod. Each office is equipped with at least one ATM. The municipalities in this MSA that are included in the Bank's assessment area are: *Barnstable, Bourne, Brewster, Chatham, Dennis, Eastham, Falmouth, Harwich, Mashpee, Orleans, Sandwich, and Yarmouth*. The town of Barnstable consists of seven villages: Barnstable Village, Centerville, Cotuit, Hyannis, Marston Mills, Osterville and West Barnstable.

This portion of the assessment area is comprised of 48 census tracts; 2 low-, 4 moderate-, 34 middle-, and 8 upper-income census tracts. The area has a population of 213,963 residents, which is concentrated primarily in the middle-income census tracts. Consequently, the largest share of owner-occupied housing units (78.8 percent) is in the middle-income census tracts. The breakdown of the families by income classification is 17.2 percent low-income, 19.4 percent moderate-income, 23.9 percent middle-income, and 39.5 percent upper-income. The area's business establishments are also concentrated in the middle-income census tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN BARNSTABLE-YARMOUTH, MA MSA:

LENDING TEST

Residential Lending

The Bank's residential lending in the Barnstable MSA is appropriate based on the Bank's branch office network and the area's population and housing characteristics. Lending patterns in this MSA are consistent with those throughout the Bank's entire assessment area. During 2008, the Bank originated 233 residential loans within this portion of the Bank's assessment area. This represents 23.3 percent of the number of total residential loans originated within the Bank's assessment area. From 2009 to the end of the third quarter of 2010, the Bank originated a total of 501 loans, 312 in 2009 and 189 in 2010.

In 2008, most of the residential lending in this portion of the assessment area (82.4 percent) was in middle-income census tracts. This is reasonable given that 70.8 percent of the census tracts in this area are middle-income tracts and these middle-income census tracts include 78.8 percent of all owner-occupied housing units in the Barnstable MSA. In 2008, the Bank originated 0.9 percent and 4.3 percent of its residential loans within the area's low- and moderate-income census tracts, respectively.

As with the lending within the entire assessment area, the Bank's geographic distribution of lending within this area is good. Residential lending in 2009 and 2010 remained consistent with 2008 geographic distribution. The Bank's lending to borrowers of different incomes in this area, particularly to those of low- and moderate-incomes, is excellent. In 2008, the Bank originated 8.6 percent of its loans to low-income borrowers and 25.8 percent to moderate-income borrowers. The Bank's lending performance, in terms of lending to borrowers of different incomes, remained strong and consistent in 2009 and in 2010.

Small Business Lending

In 2008, the Bank originated 199 or 16.8 percent of all small business loans within this portion of the assessment area. The Bank originated 12.1 percent and 4.5 percent of its 199 small business loans within the area's low- and moderate-income census tracts, respectively. The geographic distribution of small business loans within this area was reasonable. The Bank's lending to small businesses, those with gross annual revenues of \$1 million or less, was 71.4 percent compared to the aggregate market performance of 31.8 percent.

The Bank originated 79 and 60 small business loans in 2009 and in the first three quarters of 2010, respectively. The geographic distribution of these loans was similar to 2008 lending patterns.

Community Development Lending

The Bank did not make any qualified community development loans within this portion of the Bank's assessment area.

Innovative or Flexible Lending Products

Rockland Trust Company's loan products are offered throughout its entire assessment area. For details concerning special or innovative loan programs, refer to the innovative or flexible lending practices discussion in the general Lending Test section of this evaluation.

INVESTMENT TEST

The Bank's investment activity in this portion of its assessment area is similar to its performance in the entire assessment area. The Bank's qualified investments benefit organizations and projects throughout the assessment area, including this MSA. For additional details, refer to the general Investment Test section of this evaluation.

SERVICE TEST

Rockland Trust Company's service performance in this portion of its assessment area is similar to its performance in the entire assessment area. The Bank's products and services are offered and accessible throughout the entire assessment area. For additional detail, refer to the general Service Test portion of this evaluation.

METROPOLITAN AREAS

DESCRIPTION OF INSTITUTION'S OPERATIONS IN PROVIDENCE-NEW BEDFORD-FALL RIVER, RI-MA MSA:

Rockland Trust Company operates 11 full-service branches in this portion of the assessment area. The portion of the Providence-New Bedford-Fall River, RI-MA MSA ("Providence MSA") that is part of the assessment area includes the following cities and towns: *Acushnet, Attleborough, Berkley, Dartmouth, Dighton, Easton, Fairhaven, Fall River, Freetown, Mansfield, New Bedford, North Attleborough, Norton, Raynham, Rehoboth, Seekonk, Somerset, Swansea, Taunton, and Westport.*

This portion of the assessment area is composed of 116 census tracts; 12 low-, 32 moderate-, 44 middle-, and 28 upper-income census tracts. The area has a population of 534,678 residents, which is concentrated primarily in the middle-income census tracts. Consequently, the largest share of owner-occupied housing units (67.7 percent) is in the middle-income census tracts. The breakdown of families by income classification is 21.2 percent low-income, 17.0 percent moderate-income, 22.0 percent middle-income, and 39.8 percent upper-income. The area's business establishments are also concentrated in the middle-income census tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN PROVIDENCE-NEW BEDFORD-FALL RIVER, RI-MA MSA:

LENDING TEST

Residential Lending

The residential lending in the Providence MSA is appropriate based on the Bank's branch office network and the area's population and housing characteristics. Lending in this MSA is consistent with the lending throughout the Bank's entire assessment area. During 2008, the Bank originated 142 residential loans within this portion of the assessment area. This represents 14.2 percent of the total number of residential loans the Bank originated in its assessment area. In 2009, and in the first three quarters of 2010, the Bank originated 279 and 199 loans, respectively.

In 2008, 42.3 percent of residential lending was in the middle-income census tracts in this portion of the assessment area. This is reasonable given that 37.9 percent of the census tracts in this area are middle-income tracts and these middle-income census tracts include 46.3 percent of all owner-occupied housing units in the Providence MSA. In 2008, the Bank originated 2.1 percent and 14.8 percent of its residential loans within the area's low- and moderate-income census tracts, respectively. As with the lending within the entire assessment area, the Bank's geographic distribution of lending within this area is good. Residential lending in 2009 and 2010 remained consistent with 2008 geographic distribution.

The Bank's lending to borrowers of different incomes in this area, particularly those of low- and moderate-incomes, is excellent. In 2008, the Bank originated 7.0 percent of its loans to low-income borrowers and 21.8 percent to moderate-income borrowers. The Bank's performance in lending to low- and moderate-income borrowers remained strong and consistent in 2009 and in 2010.

Small Business Lending

In 2008, the Bank originated 187 or 15.8 percent of all small business loans within this portion of the assessment area. The Bank originated 3.7 percent and 18.2 percent of its 187 small business loans in this area's low- and moderate-income census tracts, respectively. The geographic distribution of small business loans within this area was reasonable. The Bank's lending to small businesses, those with gross annual revenues of \$1 million or less, was 58.3 percent, which is substantially higher than the aggregate market performance of 29.2 percent.

The Bank originated 124 and 104 small business loans in 2009 and in the first three quarters of 2010, respectively. The geographic distribution of these loans was similar to the Bank's 2008 lending patterns.

Community Development Lending

Three of the community development loans totaling \$6.4 million were originated within this portion of the Bank's assessment area.

Innovative or Flexible Lending Products

The Bank's loan products are offered throughout its entire assessment area. For details concerning special or innovative loan programs, refer to the innovative or flexible lending practices discussion in the general Lending Test section of this evaluation.

INVESTMENT TEST

The Bank's investment activity in this portion of its assessment area is similar to its performance in the entire assessment area. The Bank's qualified investments benefit organizations and projects throughout the assessment area, including this portion. For additional details, refer to the general Investment Test section of this evaluation.

SERVICE TEST

The Bank's service performance in this portion of its assessment area is consistent with its performance in the entire assessment area. The Bank's products and services are offered and accessible throughout the entire assessment area. For additional detail, refer to the general Service Test portion of this evaluation.

METROPOLITAN AREAS

DESCRIPTION OF INSTITUTION'S OPERATIONS IN BOSTON - CAMBRIDGE – QUINCY MSA - Includes two MDs: The Boston-Quincy MD; and the Cambridge-Newton-Framingham MD:

The Bank operates 43 full-service and 2 limited-service branch offices in the Boston-Cambridge Quincy, MA MSA (“Boston MSA”). Each office is equipped with at least one ATM. The Boston MSA cities and towns included in the assessment area are listed by county as follows: **Norfolk County, MA** – Avon, Bellingham, Braintree, Brookline, Canton, Cohasset, Dedham, Dover, Foxborough, Franklin, Holbrook, Medfield, Medway, Millis, Milton, Needham, Norfolk, Norwood, Plainville, Quincy, Randolph, Sharon, Stoughton, Walpole, Wellesley, Westwood, Weymouth, and Wrentham; **Plymouth County, MA** – Abington, Bridgewater, Brockton, Carver, Duxbury, East Bridgewater, Halifax, Hanover, Hanson, Hingham, Hull, Kingston, Lakeville, Marion, Marshfield, Mattapoisett, Middleborough, Norwell, Pembroke, Plymouth, Plympton, Rochester, Rockland, Scituate, Wareham, West Bridgewater, and Whitman; **Suffolk County, MA** – Allston/Brighton District of Boston; and **Middlesex County, MA** – Belmont, Cambridge, Holliston, Hopkinton, Lexington, Lincoln, Natick, Newton, Sherborn, Waltham, Watertown, and Weston.

This portion of the assessment area is composed of 323 census tracts; 7 low-, 43 moderate-, 149 middle-, 123 upper-income, plus one census tract with no designated income level. The area has a population of 1,607,735 residents, which is concentrated in middle-income and upper-income census tracts. Consequently, the largest share of owner-occupied housing units (92.8 percent) is in the middle- and upper-income census tracts. The breakdown of the families by income classification is 15.8 percent low-income, 15.9 percent moderate-income, 21.8 percent middle-income, and 46.5 percent upper-income. The area’s business establishments are also concentrated in the middle- and upper-income census tracts, with 89.1 percent of the 108,446 area’s businesses operating in these tracts.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN BOSTON MSA:

LENDING TEST

Residential Lending

The residential lending in the Boston MSA is appropriate based on the Bank’s branch office network and the area’s population and housing characteristics. Lending in the MSA is consistent with the lending throughout the entire assessment area. During 2008, the Bank originated 623 residential loans within this portion of the assessment area. This represents 62.3 percent of the total number of residential loans the Bank originated within its assessment area. In 2009 and the first three quarters of 2010, the Bank originated 1,109 and 836 loans, respectively.

In 2008, most of the residential lending (57.3 percent) in this portion of the assessment area was in the middle-income census tracts. This is reasonable given that approximately 46 percent of the census tracts in this area are middle-income tracts. In 2008, the Bank originated 1.0 percent and 10.1 percent of its residential loans within the area’s low- and

moderate-income census tracts, respectively. The geographic distribution of the Bank's residential loans in this area is consistent with that in the entire assessment area. Residential lending in 2009 and in 2010 remained consistent with 2008 geographic distribution.

The Bank's lending to borrowers of different incomes in this area, particularly those of low- and moderate incomes, is excellent. In 2008, the Bank originated 7.7 percent of its loans in this area to low-income borrowers and 27.6 percent to moderate-income borrowers. The Bank's performance in lending to low- or moderate-income borrowers remained strong and consistent in 2009 and in 2010.

Small Business Lending

In 2008, the Bank originated 797 or 67.4 percent of all small business loans within this portion of the Bank's assessment area. The Bank originated 1.6 percent and 12.3 percent of its 797 small business loans in the area's low- and moderate-income census tracts, respectively. The geographic distribution of small business loans within this area was reasonable. The Bank's lending to small businesses, those with gross annual revenues of \$1 million or less, was 58.0 percent, which was substantially higher than the aggregate market performance of 26.2 percent.

The Bank originated 585 and 422 small business loans in this portion of the assessment area in 2009 and in the first three quarters of 2010, respectively. The geographic distribution of these loans was similar to 2008 lending patterns.

Community Development Lending

The Bank originated nine community development loans totaling \$33.8 million within this portion of the assessment area.

Innovative or Flexible Lending Products

Rockland Trust Company's loan products are offered throughout its entire assessment area. For details concerning special or innovative loan programs, refer to the innovative or flexible lending practices discussion in the general Lending Test section of this evaluation.

INVESTMENT TEST

The Bank's investment activity in this portion of its assessment area is very similar to its performance in the entire assessment area. The Bank's qualified investments benefit organizations and projects throughout the assessment area, including this portion. For additional details, refer to the general Investment Test section of this evaluation.

SERVICE TEST

Rockland Trust Company's service performance in this portion of its assessment area is similar to its performance in the entire assessment area. The Bank's products and services are offered and accessible throughout the entire assessment area. For additional detail, refer to the general Service Test portion of this evaluation.

METROPOLITAN AREAS

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WORCESTER, MA MSA:

Rockland Trust Company operates one full-service branch office in the Worcester, MA MSA. The office is in Milford, Massachusetts and is equipped with an ATM. The Worcester, MA MSA portion of the assessment area includes the following cities and towns: *Blackstone, Hopedale, Mendon, Milford, and Upton.*

This portion of the assessment area is composed of 9 census tracts; 0 low-, 1 moderate-, 4 middle-, and 4 upper-income census tracts. The area has a population of 52,438 residents, which is concentrated in the middle- and upper-income census tracts. The largest share of owner-occupied housing units (48.9 percent) is in the upper-income census tracts. The breakdown of the families by income classification is 15.0 percent low-income, 15.7 percent moderate-income, 22.5 percent middle-income, and 46.8 percent upper-income. The area's business establishments are also concentrated in the middle-income census tracts, with 48.1 percent of the 4,386 area's businesses operating in these tracts

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WORCESTER, MA MSA:

LENDING TEST

Residential Lending

The Bank's residential lending in the Worcester, MA MSA is appropriate based on the Bank's branch office network and the area's population and housing characteristics. Lending in this MSA is consistent with the lending throughout the Bank's entire assessment area. During 2008, the Bank originated only two residential home purchase loans within the Worcester, MA MSA, both of which were in middle-income census tracts. The low number of loans originated in 2008 is primarily attributable to the Bank's lack of presence in the area until 2009. The Bank acquired the one branch office in Milford in May 2009 through its acquisition of Benjamin Franklin Bank. In 2009, and in the first three quarters of 2010, the Bank originated 8 and 16 loans, respectively in this MSA. All residential loans originated between 2009 and YTD 2010 were in middle- or upper-income census tracts. Regardless, the Bank's lending performance is consistent with the geographies and demographics of this assessment area.

The Bank's lending to borrowers of different incomes in this area, particularly those of low- and moderate-income, is reasonable. In 2009, 37.5 percent of the Bank's loans in this area were to moderate-income borrowers. During the first three quarters of 2010, two or 12.5 percent of its 16 residential loans were to moderate-income borrowers.

Small Business Lending

In 2008, the Bank did not originate any small business loans within this portion of the assessment area; as mentioned previously, the Bank had no presence in this area until 2009. In 2009, the Bank originated a total of 8 small business loans in this part of the assessment area. During the first three quarters of 2010, the Bank originated 6 small

business loans in this area. The geographic distribution of the Bank's small business loans within this area was reasonable. The Bank's percentage of lending to small businesses was also consistent with that of the entire assessment area.

Community Development Lending

Rockland Trust Company did not originate any community development loans within this portion of the assessment area.

Innovative or Flexible Lending Products

Rockland Trust Company's loan products are offered throughout its entire assessment area. For details concerning special or innovative loan programs, refer to the innovative or flexible lending practices discussion in the general Lending Test section of this evaluation.

INVESTMENT TEST

The Bank's investment activity in this portion of its assessment area is very similar to its performance in the entire assessment area. The Bank's qualified investments benefit organizations and projects throughout the assessment area, including this portion. For additional details, refer to the general Investment Test section of this evaluation.

SERVICE TEST

Rockland Trust Company's service performance in this portion of its assessment area is similar to its performance in its entire assessment area. The Bank's products and services are offered and accessible throughout the entire assessment area. For additional detail, refer to the general Service Test portion of this evaluation.

APPENDIX A

Fair Lending Policies and Practices

The Division of Banks provides comments regarding the institution's fair lending policies and procedures pursuant to Regulatory Bulletin 2.3-101.

The Bank has a written Fair Lending Policy. The Bank proactively and affirmatively supports the fair lending process through fair, but flexible lending policies. The Bank employs a second review process and makes exceptions to the loan policy.

All employees are provided with training appropriate to their job description and their responsibilities in fair lending issues, as well as diversity and sensitivity training.

MINORITY APPLICATION FLOW

The Bank's LARs for 2008 and 2009 were reviewed to determine if the application flow from the different racial groups within the Bank's assessment area was reflective of the assessment area's demographics.

According to the 2000 U.S. Census Data, the Bank's assessment area contained a total population of 2,408,844 individuals of which 12.9 percent are minorities. The assessment areas minority and ethnic population is 3.1 percent Black/African American, 3.7 percent Asian, 0.2 percent American Indian, 0.0 percent Hawaiian/Pacific Islander, 3.0 percent Hispanic or Latino and 2.9 percent other.

For 2008 and 2009, the Bank received 3,935 HMDA reportable loan applications from within its assessment area. Of these applications, 155 or 3.9 percent were received from minority applicants, of which 86 or 55.5 percent resulted in originations. The Bank also received 53 applications from ethnic groups of Hispanic origin within its assessment area of which 34 or 64.2 percent were originated.

The Bank's level of lending was compared with that of the aggregate's lending performance levels for the most recent year that data was available, the year 2009. The comparison of this data assists in deriving reasonable expectations for the rate of applications the Bank received from minority residential loan applicants. Refer to the table below for information on the Bank's minority application flow as well as the aggregate lenders (excluding the Bank) in the Bank's assessment area.

MINORITY APPLICATION FLOW								
RACE	Bank 2008		2009 Aggregate Data		Bank 2009		Bank TOTAL	
	#	%	#	%	#	%	#	%
<i>American Indian/Alaska Native</i>	0	0.0	250	0.1	2	0.1	2	0.0
<i>Asian</i>	21	1.4	8,000	3.9	37	1.5	58	1.5
<i>Black/ African American</i>	24	1.6	3,429	1.7	38	1.6	62	1.6
<i>Hawaiian/Pac Isl.</i>	2	0.1	203	0.1	3	0.1	5	0.1
<i>2 or more Minority</i>	1	0.1	111	0.1	0	0.0	1	0.0
<i>Joint Race (White/Minority)</i>	9	0.6	2,154	1.1	18	0.8	27	0.7
Total Minority	57	3.8	14,147	7.0	98	4.1	155	3.9
<i>White</i>	1,313	86.4	140,899	69.4	2,139	88.5	3,452	87.8
<i>Race Not Available</i>	149	9.8	47,942	23.6	179	7.4	328	8.3
Total	1,519	100.0	202,988	100.0	2,416	100.0	3,935	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	15	1.0	2,311	1.1	14	0.6	29	0.7
<i>Not Hispanic or Latino</i>	1,337	88.0	150,896	74.3	2,215	91.6	3,552	90.3
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	15	1.0	1,361	0.7	9	0.4	24	0.6
<i>Ethnicity Not Available</i>	152	10.0	48,420	23.9	178	7.4	330	8.4
Total	1,519	100.0	202,988	100.0	2,416	100.0	3,935	100.0

Source: US Census, 2008 and 2009 HMDA LAR, 2008 HMDA Aggregate Data

The Bank's performance was below the 2009 aggregate's performance level for applications from both racial and ethnic minorities. The Bank received 4.1 percent for minorities while the aggregate was 7.0 percent. The percentage of Hispanic applications was 1.0 percent while the aggregate was 1.8 percent.

APPENDIX B
Loss of Affordable Housing – Massachusetts Division of Banks

The Division of Banks' regulation 209 CMR 46.22(2)(g) requires that the evaluation of the lending performance of a large institution include a review of its efforts to forestall the loss of affordable housing. The Division reviews the institution's loans to ensure that there is no undue concentration and a systematic pattern of lending resulting in the loss of affordable housing units.

Rockland Trust Company's development of credit products with flexible lending criteria, participation in flexible lending programs, community development lending, and lending to low- and moderate-income borrowers has assisted low- and moderate-income individuals to remain in their neighborhoods.

APPENDIX C

General Definitions

GEOGRAPHY TERMS

Census Tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Metropolitan Area (MA): One or more large population centers and adjacent communities that have a high degree of economic and social integration. Each MA must contain either a place with a minimum population of 50,000 of Census Bureau-defined urbanized area and a total MA population of at least 100,000 (75,000 in New England). An MA comprises one or more central counties and may include one or more outlying counties that have close economic and social relationships with the central county. In New England, MAs are composed of cities and towns rather than whole counties.

Metropolitan Statistical Area (MSA): One or more metropolitan areas that have economic and social ties.

Primary Metropolitan Statistical Area (PMSA): A large urbanized county or cluster of counties that demonstrate very strong internal economic and social links, in addition to close ties to other portions of the larger area. If an area qualifies as an MA and has more than one million persons, PMSAs may be defined within it.

Consolidated Metropolitan Statistical Area (CMSA): The larger area of which PMSAs are component parts.

Non-Metropolitan Area: All areas outside of metropolitan areas. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, “urban” consists of territory, persons, and housing units in: places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin) but excluding the rural portions of “extended cities”; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.

HOUSING TERMS

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

INCOME TERMS

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide non-metropolitan median family income, if a person or geography is located outside an MSA.

Family Income: Includes the income of all members of a family that are age 15 and older.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households consist of only one person, median household income is usually less than median family income.

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Upper-Income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent in the case of a geography.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates which update median family income from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

OTHER TERMS

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement and temporary-to-permanent construction loans.

Small Business Loan: A loan included in “loans to small businesses” as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

APPENDIX D

Investment Definitions

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. The equity investments are subject to limits specified by the bank's regulator. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the Bank. A CDC may purchase, own, rehabilitate, construct, manage and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization. Any real estate ownership should generally be temporary, with ownership reverting to members or organizations in the community.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. They procure loans and investments that conventional financial institutions are unable to invest in, and they link financing to other developmental activities. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. CDFIs share a common mission and can be chartered as a credit union or bank. CDFIs can also be unregulated nonprofit institutions that gather private capital from a range of social investors for community development lending or investing. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, microenterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

Qualified Investments: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development to support the following endeavors: 1) affordable housing; 2) community services targeting low- and moderate-income individuals; 3) activities that promote economic development by financing small farms and small businesses; and 4) activities that revitalize or stabilize low- and moderate-income geographies.

APPENDIX E

Standard Public Evaluation Language

LENDING TEST

Scope of Test

The lending test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by considering an institution's home mortgage, small business, small farm, and community development lending. The institution's lending performance is evaluated pursuant to the following criteria: 1) the volume of lending activity; 2) the proportion of lending within the assessment area(s); 3) the dispersion of loans and the number and amount of loans in low-, moderate-, middle- and upper-income geographies in the assessment area(s); 4) the distribution of loans among borrowers of low-, moderate-, middle- and upper-income levels and businesses (including farms) of different sizes; 5) the distribution of small business and small farm loans by loan amount at origination; 6) the volume of community development lending; and 7) the use of innovative or flexible lending practices. Performance under the lending test is weighted more heavily than the investment and service tests when arriving at an overall rating.

Community Development Lending:

Performance Criteria

The institution's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution; 2) the responsiveness of the institution's community development lending; and 3) the extent of leadership the institution has demonstrated in community development lending.

Innovative and Flexible Lending Practices:

Performance Criteria

The institution's innovative and flexible lending practices are evaluated pursuant to the following criteria: 1) the degree to which the loans serve low- and moderate-income creditworthy borrowers in new ways or serve groups of creditworthy borrowers not previously served by the institution; and 2) the success of each product serving low- and moderate-income borrowers, including the number and dollar volume of loans originated during the review period.

INVESTMENT TEST

Scope of Test

The investment test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). Activities considered under the lending or service test may not be considered under the investment test. The institution's investment performance is evaluated pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

SERVICE TEST

Scope of Test

The service test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services, including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income areas or individuals; and 4) their responsiveness to available opportunities for community development services.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations, and Part 345 of the Federal Deposit Insurance Corporation's Rules and Regulations, require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks and the Federal Deposit Insurance Corporation, at 288 Union Street, Rockland, MA 02370".

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.